August 22, 2006

Rose Fallaw
Project Manager
ERG Transit Systems
411 First Avenue South, Suite 1N
Seattle, WA 98104

RE: ERG Contract No. 229944 Change Order No. 20 & Amendment
No. 19
(Beta Card Processing)

Dear Rose,

Attached are signed Contract Change Order No. 20 and Amendment No.
19, which provide for ERG's services to process cards for the Beta Test.

The attached Amendment 19 agrees to a payment of $28,731 for this
work. It does not recognize $7324 in "consulting fees" which have been
proposed by ERG for time spent in preparation of this change order.
These amounts are similar in nature to the issue which is currently
pending review by the Dispute Review Board.

As provided in the Contract, the Agencies expect that ERG will
commence or continue work to complete the Beta card processing tasks,
even if you are not willing to sign these documents as an "agreed
change." If you have any questions, please call me at 206-684-1562.
Thank you.

With best regards,

Candace Carlson
Contract Administrator

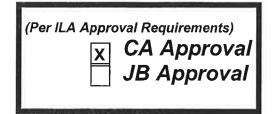cc: Kathleen McMurray, Regional Technical Manager

REGIONAL FARE COORDINATION SYSTEM
CHANGE ORDER NO. 20

CONTRACTOR: **ERG Transit Systems (USA) Inc.**
CONTRACT NUMBER: **229944**

This Change Order to Contract #229944 ("Change Order") is executed as of _____, by and between ERG Transit Systems (USA) Inc, a California corporation and wholly owned subsidiary of ERG Limited, an Australian corporation, (hereinafter referred to as the "Contractor") and each of the following seven public transportation agencies (hereinafter referred to individually as an "Agency" or collectively as the "Agencies"):

1. Central Puget Sound Regional Transit Authority ("Sound Transit")

2. King County ("King County")

3. Kitsap County Public Transportation Benefit Area ("Kitsap Transit")

4. Pierce County Public Transportation Benefit Area ("Pierce Transit")

5. Snohomish County Public Transportation Benefit Area ("Community Transit")

6. City of Everett ("Everett")

7. State of Washington, acting through the Washington State Department of Transportation, Washington State Ferries Division ("WSF")

Background

A.   Effective April 29, 2003, each of the Agencies and the Contractor entered into Contract #229944 ("Contract") to implement a Regional Fare Coordination System ("RFC System") to establish a common fare system utilizing smart card technology. The Contractor is responsible for the development, implementation, operation and maintenance of the RFC System as specified in the Contract.

B.   The Agencies and the Contractor desire to execute this Change Order No. 20 and the attached Amendment No. 19, to modify: Division II functional requirements related to Beta Card Production Services and Section VI of Exhibit 9, Price Schedule.

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Changes

The Agencies and the Contractor hereby agree to the following changes to the Contract.

1.0   Division II Changes

Section 6-II –1.5 Beta Card Production is hereby added to satisfy the following functional requirement:

The Contractor shall provide additional card fulfillment services to prepare cards for Beta Test as follows:

(a) The following services shall be performed for customer cards:

i. The Contractor shall initialize 6215 cards for customer use. The cards will not contain fare products ERG will deliver all cards to the Regional Mail Center.

ii. The Contractor shall provide Card Serial Numbers in a spreadsheet to the Contract Administrator.

iii. The Agencies may distribute the customer cards commencing with the Beta Test Settling In period (SEA001160).

iv. The Contractor shall supply an order spreadsheet to the Contract Administrator.

v. The Agencies will complete the order spreadsheet by entering the CSN and a purse value and/or products to be added to the specified card. In order to ensure that the card orders reflect the actual needs of the test participants recruited, the Agencies can submit up to five (5) spreadsheets over the pre-Beta period of Beta Settling In minus five (5) business days, Beta Settling In (SEA001160) and Beta 1 Testing (SEA259860). Each spreadsheet will have specific fare product start and end dates. At least one order must be submitted five business days prior to the commencement of Beta Settling In (SEA001160)

vi. The Contractor will validate the file details and create work orders for each card. The work orders shall be distributed to devices via the Action list functionality.

vii. The Action lists will be downloaded at the appropriate times as specified in the order spreadsheets.

viii. The Agencies will provide funding in their Settlement Accounts to allow funds transfer for product payment to occur. This shall occur starting on Day One of Beta Test Settling In (SEA001160), or an agreed date when the first import of an order file and subsequent creation of Action lists will occur. This period must be at a time when full end of day and settlement processes can occur (i.e. from Beta Test Settling In forward). Funds must be available on that date to fund the Action list requests.

ix. Fare Products and the customer card category (i.e. Adult, Regional Reduced Fare Permit, Youth) will be loaded onto customer cards when the cardholders tag their cards from Beta Test Settling In (SEA001160) forward.

x. Once the Agency website is available for Agency use (SEA263770), work orders can also be tracked using the website, allowing the Agencies to reconcile status of each card/product order. The Agencies can also view card Inventory status.

(b) The following services shall be performed for Institutional Cards:

    i.   The Contractor shall initialize 725 cards for Institutional Program use. The cards will not contain products and will be delivered to the Regional Mail Center.

    ii.   The Agencies will use existing functionality provided by the Institutional Programs Website which is available for Agency Use (SEA263800) to set up Institutional Program Agreements

    iii.   Lead Agencies will also use Institutional Website functionality to place card orders.

    iv.   The Mail Center will utilize standard CIPP functionality to configure the Institutional Cards and will use the Institutional Website to manage the Card Orders.

    v.   The Contractor shall provide Card Serial Numbers in a spreadsheet to the Contract Administrator. The Agencies will assign the Institutional Identifiers to the card serial numbers provided by ERG.

2.0   Compensation Changes

This Change Order No. 20 shall give rise to no additional compensation except for the lump-sum amount of $28,731, as specified in Amendment No. 19 which is attached hereto as "CO No. 20 Attachment A" and which the Parties agree, without further execution, hereby amends Exhibit 9 to the Contract, entitled "Price Schedule," by adding a special program to Section VI, "Implementation, Special Programs."

3. 0   Other Terms and Conditions

Except as expressly amended by this Change Order, the Contract remains in full force and effect. All other provisions of the Contract not referenced in this Change Order No. 20 shall remain in effect unless modified in other executed Amendments and Change Orders.

IN WITNESS WHEREOF, the parties hereto have executed this Change Order No. 20 to Contract #229944 as of the date set forth below its signature.

ERG Transit Systems (USA) Inc.   **The Agencies**

By: _____   By: _Candace Carlson_
Its: _____   Their: _Contract Administrator_

                                 On behalf of the Agencies
Date: _____   Date: _8/22/06_

Amendment 19 to the Contract for the Design, Implementation, Operation and Maintenance of the Regional Fare Coordination System

This Amendment 19 to the Contract for the Design, Implementation, Operation and Maintenance of the Regional Fare Coordination System is entered into this ___ day of _____, 2006, by and between ERG Transit Systems (USA) Inc, a California corporation and wholly owned subsidiary of ERG Limited, an Australian corporation, (hereinafter referred to as the "Contractor") and each of the following seven public transportation agencies (hereinafter referred to individually as an "Agency" or collectively as the "Agencies"):

1. Central Puget Sound Regional Transit Authority ("Sound Transit")

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4. Pierce County Public Transportation Benefit Area ("Pierce Transit")

5. Snohomish County Public Transportation Benefit Area ("Community Transit")

6. City of Everett ("Everett")

7. State of Washington, acting through the Washington State Department of Transportation, Washington State Ferries Division ("WSF")

Recitals

A. Effective April 29, 2003, each of the Agencies and the Contractor entered into Contract #229944 ("Contract") to implement a Regional Fare Coordination System ("RFC System") to establish a common fare system utilizing smart card technology. The Contractor is responsible for the development, implementation, operation and maintenance of the RFC System as specified in the Contract.

B. The Agencies and the Contractor desire to amend Section VI of Exhibit 9, Price Schedule, in connection with the Work described in Change Order No. 20 to which this is attached.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the sufficiency of which is hereby acknowledged, the Parties hereby agree to amend the Contract as follows:

Section 1.0 Section VI (Implementation) of Exhibit 9, Price Schedule, is hereby amended to read as follows:

VI. IMPLEMENTATION

	LUMP SUM COST

1.   PHASE 1 (up to and including Beta Test Acceptance)

A.   DESIGN

1. Card Issue & Revalue Functions	$422,859
2. Passenger Fare Payment Functions	$396,909
3. Data Acquisition System	$352,382
4. Revenue Management & Reconciliation	$387,621
5. Agency Ridership & Revenue Processing	$352,382
TOTAL DESIGN:	$1,912,153

B.   DEVELOPMENT

1. Card Issue & Revalue Functions	$493,335
2. Passenger Fare Payment Functions	$529,212
3. Data Acquisition System	$493,335
4. Revenue Management & Reconciliation	$563,812
5. Agency Ridership & Revenue Processing	$493,335
6. Windows CE Implementation for DDU	$112,440
TOTAL DEVELOPMENT:	$2,685,470

C.   TESTING SETUP

Tools, Test Bed, Facility	$211,429

D.   TESTING

TESTING	$914,517

E.   BETA TESTING

Installation & Testing	$626,978

F.   CENTRAL SYSTEM SOFTWARE

Configuration	$3,510,779
Testing	$1,170,260

G.   EMC TEST

EMC TEST	$74,245

H.   ENVIRONMENTAL TEST

ENVIRONMENTAL TEST (cost for 5 devices)	$79,704

TOTAL (A):	$11,185,535

2. __PHASE 2__ (after Beta Test Acceptance)

A. TESTING	$940,467
B. ACCEPTANCE TESTING	$556,502
TOTAL (B):	$1,496,969

GRAND TOTAL (A + B)	$12,682,504

SPECIAL PROGRAMS

	LUMP SUM COST

Original Contract

A. PARATRANSIT	$70,476
B. VANPOOL	$70,476

Change Order No. 1

A. KCM RCU Conceptual Design (Not to Exceed plus reimbursable travel expenses)	$26,795

Change Order No. 11

WSF GAK Implementation	$241,584

Change Order No. 15

WSF Gate & POS Simulator	$24,614

Change Order No. 16

KT PFTP Implementation	
1. Phase 1 FDR through Beta Test Readiness	$79,698
2. Phase 2 After Beta Test Readiness	$46,683
TOTAL IMPLEMENTATION:	$126,381

Change Order No. 18

KCM DDU Functionality when ARI enters Init Mode	$10,985

Change Order 19

KCM DDU Auto Logoff and Power Down	$7,054

Change Order 20

Beta Card Production	$28, 731

Section 2.0 All other provisions of the Contract not referenced in this Amendment 19 shall remain in effect unless modified in other executed Amendments and Change Orders.